

Week Ending Friday, May 30, 2003

**Statement on Congressional Action
on Tax Cut Legislation**

May 23, 2003

I commend the House and Senate for acting in a bipartisan fashion to bring tax relief to American families, small businesses, and entrepreneurs. In passing this jobs-and-growth plan, Congress has taken a major step forward in the effort to boost economic growth and create jobs. One hundred thirty-six million taxpayers, including 12 million seniors and 23 million small-business owners, will directly benefit from this plan. A married couple with two children and household income of \$40,000 will see their taxes cut by 96 percent this year. A growing economy is an urgent priority for all Americans, and I look forward to signing this bill and to seeing that tax relief is felt in paychecks quickly.

NOTE: This item was not received in time for publication in the appropriate issue.

The President's Radio Address

May 24, 2003

Good morning. This week Congress took vital action to create jobs in America. Following the outlines of a jobs-and-growth package I announced in January, Members of the House and Senate reached agreement on a bill to strengthen our Nation's economy by reducing income tax rates, lowering the marriage penalty, increasing the child credit from \$600 to \$1,000, increasing the expensing allowance for small-business investment, and significantly reducing taxes on dividends. These tax cuts will go into effect immediately and some retroactively.

About 25 million families with children will see their child credit increase and will receive checks of up to \$400 per child. And 136 million Americans who pay income taxes, including 23 million small-business owners

who pay taxes at the individual rate, will see their taxes lowered.

By leaving American families with more to spend, more to save, and more to invest, these reforms will help boost the Nation's economy and create jobs. When people have extra take-home pay, there's greater demand for goods and services, and employers will need more workers to meet that demand.

A higher expensing allowance will help small firms, including farms and ranches, to buy new equipment so they can become more productive and expand their operations. They will also have more money to add new employees. And reducing the tax rate on dividends will help shareholders across America, from teachers invested in 401(k) accounts to seniors who depend on dividends for their financial well-being.

I appreciate the leadership of Congressman Bill Thomas of California and Senator Chuck Grassley of Iowa, who worked with their colleagues to hammer out a final agreement. This achievement is a victory for every family struggling to pay the bills, every entrepreneur hoping to expand the business and create new jobs, and every American looking for work. I look forward to signing this jobs-and-growth legislation in the coming week.

I will also work with Congress to bring down the budget deficit that has resulted from war, recession, and terrorist attacks. Faster growth in the economy will bring more revenues into the Federal Treasury. Yet moving toward a balanced budget also requires that we hold Federal spending to a responsible level. Spending discipline is crucial to my economic program. I urge the Congress to set priorities and stick to the responsible budget plan they passed back in April.

By that measure, discretionary Federal spending will rise by 4 percent, about the same as the increase in the average American family's income. Governments should not